## **REMARKS**

Applicant would like to thank the Examiner for the detailed remarks. Claims 2, 3, and 14 have been cancelled, claims 1, 4, 9, 10, 12, and 15 have been amended and claims 16-19 have been added. Accordingly, claims 1, 4-13, and 15-19 are pending.

The Examiner has requested information, pursuant to 37 C.F.R. §1.105, regarding the origin or the equation, any publication used as a source for the equation, and any publication that makes use of the equation or a derivation thereof. The equation was derived by the Applicants, and based on the Applicants' current knowledge, no publications were used as a source for the equation, and no known publications use this equation.

Claims 1-13 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory matter. Claim 1 has been amended to recite statutory subject matter. Therefore, the Applicant respectfully requests that the rejection of claims 1-13 be withdrawn.

Claims 1, 6, 12, 14, and 15 are rejected under 35 U.S.C. 102(e) as being anticipated by Yang et al. (US 2001/0034673). Claim 14 has been cancelled. Independent claims 1 and 15 have been amended to recite the subject matter of dependent claims 2 and 3. Furthermore, claims 1 and 15 recite computing a proposed inventory level by refinancing the probability term  $\beta$  and using a given equation. Yang does not disclose using the claimed probability term  $\beta$  or the given equation. Therefore, the Applicant respectfully requests that the rejection of claims 1, 6, 12, and 15 be withdrawn.

Claims 7-11, and 13 are rejected under 35 U.S.C. 103(a) as being unpatentable over Yang in view of Ettl et al. (US 5,946,662). Claims 7-11 and 13 depend from allowable claim 1 for the reasons stated above. Therefore, the Applicant respectfully requests that the rejection of claims 7-11 and 13 be withdrawn.

Claims 2 and 5 are rejected under 35 U.S.C. 103(a) as being unpatentable over Yang in view of the Examiner's Official Notice. Claim 2 has been cancelled and the subject matter of claim 2 has been amended into allowable claim 1. Claim 5 depends from allowable claim 1 for the reasons stated above. Therefore, the Applicant respectfully requests that the rejection of claim 5 be withdrawn.

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No additional fees are seen to be required. If any additional fees are due, however, the Commissioner is authorized to charge Deposit Account No. 21-0279, in the name of United Technologies Corporation, for any additional fees or credit the account for any overpayment.

Respectfully submitted,

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